

Committee, having had under consideration the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States, had come to no resolution thereon.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Joint Resolution 1, the balanced budget constitutional amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HOOR OF MEETING ON TOMORROW, THURSDAY, JANUARY 26, 1995

Mr. HYDE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

LEGISLATIVE PROGRAM

Mr. CONYERS Mr. Speaker, reserving the right to object, and I do not intend to do so, let me just take this opportunity to clarify the schedule for the remainder of the evening and for tomorrow.

Can we confirm that the only remaining legislative business for today is to complete general debate, not going into the Barton amendment?

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. HYDE. I believe that is correct. I have not been instructed otherwise, so it is correct.

Mr. CONYERS. Will the gentleman indicate to us whether we plan to finish the balanced budget amendment tomorrow or carry some of the bill over until Friday?

Mr. HYDE. I hope with the superb cooperation I have come to expect from the distinguished gentleman from Michigan, we could finish it tomorrow.

Mr. CONYERS. Then, finally, on behalf of the Democratic leadership, I have been asked to confirm that the Democratic side will be assured of at least 20 1-minute speeches tomorrow morning preceding our activity.

Mr. HYDE. At most, the gentleman is exactly correct.

Mr. CONYERS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROPOSING A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The SPEAKER pro tempore. Pursuant to House Resolution 44 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution, House Joint Resolution 1.

□ 1749

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States, with Mr. WALKER in the chair.

The Clerk read the title of the joint resolution.

□ 1750

The CHAIRMAN. When the Committee of the Whole rose earlier today, the gentleman from Illinois [Mr. HYDE] had 52 minutes remaining in the debate, and the gentleman from Michigan [Mr. CONYERS] had 47 minutes remaining in the debate.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

PARLIAMENTARY INQUIRY

Mr. HOKE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HOKE. Mr. Chairman, when the Chair or the Speaker grants unanimous consent that someone may revise and extend their remarks, does that mean, is that implicit that that means within the rules, or does that actually mean that the remarks themselves can be revised in the RECORD?

The CHAIRMAN. It means revisions and extensions within the meaning of clause 9 of rule XIV.

Mr. HOKE. That have been adopted by this House in the 104th Congress?

The CHAIRMAN. The gentleman is correct.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I am pleased to yield 1½ minutes to another distinguished gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I thank the gentleman from Illinois for yielding me this time.

Mr. Chairman, there have been many efforts made in this Chamber to try and balance the budget. I can well remember the Freeze Budget, the 1992 Group Budget, the Pork Busters, our good friend Tim Penny who led many bipartisan efforts, and I can remember Gramm-Rudman. Every one of these was to no avail.

Remember this button: "108 in '88?" That meant under Gramm-Rudman our deficit was going to be by law no greater than \$108 billion in 1988.

Well, guess what? It was \$187 billion, not \$108 billion.

Promises, promises, promises, promises, and every one of them was broken.

It is time to keep our promise. The deficit today is over \$200 billion, and it is as far as the eye can see \$200 billion. In fact, by the turn of the century it is not going to be \$200 billion, it is not going to be \$300 billion. The OMB, the Office of Management and Budget is projecting over \$400 billion.

I had a town meeting a couple of weeks ago and I had a very activist Democrat stand up and say:

Fred, I have been against the balanced budget before because I did not think it would work. I thought we had laws that made it work, but I've given up. When you get back to Washington, please, please, please, for our children and for our jobs, pass a balanced budget amendment.

It is time now to keep our promises. It is time to pass a balanced budget amendment, a constitutional one.

Mr. CONYERS. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Alabama [Mr. BROWDER].

(Mr. BROWDER asked and was given permission to revise and extend his remarks.)

Mr. BROWDER. Mr. Chairman, I want to thank the gentleman from Michigan for yielding time to me.

Mr. Chairman, let me first commend my colleague, CHARLIE STENHOLM, for his leadership on the issue we are debating today. We are considering, hopefully for the last time, passage of a balanced budget amendment to the Constitution. I have been on this floor three times before pressing the Members of this institution to let this debate out of Washington. Ratification is my ultimate goal, but more important in my mind is the great public debate that will take place around this country during the process of ratification.

The balanced budget debate must be expanded beyond the Washington betway and with passage in Congress the debate will begin in earnest. For as the states consider ratification, our country will begin a full and frank public debate on the role of government—Federal, State and local—and the cost of fulfilling that role.

If the politicians who designed past efforts to bring the budget into balance had engaged the public in that process then I doubt we would have dug—or been allowed to dig—such a huge deficit hole.

Mr. Chairman, the balanced budget amendment incorporates into our fundamental law the principle that the Federal Government cannot spend more money than it takes in, except under special circumstances. That principle rightly fits in the Constitution and would not, as some suggest, trivialize that basic document. But more importantly, the ratification process will allow, even force, the American people to focus on what they want from their government, what benefits they will surrender in the name of fiscal responsibility, and what burdens they will shoulder to do the important tasks they ask their government to do.

Mr. HYDE. Mr. Chairman, I am honored to yield 3 minutes to the distinguished gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, I want to first of all thank the distinguished chairman of the Committee on the Judiciary, HENRY HYDE, for his excellent leadership in shepherding the balanced budget amendment process this far. I want to thank our new Republican majority leadership for scheduling the debate immediately and not having to force us to resort to discharge petitions. I want to thank my good friend, CHARLIE STENHOLM of Texas, for being such a stalwart for so many years to keep the dream alive and all of the other true believers that feel like we need to balance the Federal budget in a bipartisan fashion.

We have won the debate as to whether we should have a balanced budget at the Federal level, at least we have won the debate everywhere but in the White House, in the Office of Management and Budget, and with the Secretary of Labor. The question is not should we balance the budget but how should we do that, and there are really three basic ways: We can raise taxes; we can cut spending, or we can do a combination of both.

There are two serious amendments on the floor this evening and tomorrow to get us to a balanced budget. The Schaefer-Stenholm amendment requires a three-fifths vote to borrow money, a three-fifths vote to raise the national debt ceiling and that is a constitutional majority of 218 plus 1 in the House to raise taxes. The Barton-Hyde-Geren amendment requires a three-fifths vote to borrow money, a three-fifths vote to raise the debt ceiling, and I think, significantly, a three-fifths vote to raise taxes. That third three-fifths vote to raise taxes in some ways is the most important three-fifths vote, because I believe the emphasis should be on cutting spending.

Why do I believe that? Go back to 1964; the entire Federal budget was \$118.5 billion. In 1965 it actually dropped. We spent \$118.2 billion. Every year since 1965 Federal spending has gone up. In the fiscal year we are in now we expect to spend \$1,531,000,000,000. That is an increase of 1,300 percent in the last 29 years.

Federal spending has gone up every year since 1965.

To put that in perspective, in the year we are currently in, we expect to spend 70 billion more dollars than we spent last year, and last year we spent 53 billion more than the year before. Simply put, it is not a lack of revenue as to why the budget is not balanced. It is simply the fact that spending is out of control.

If we want to restrain spending, we have got to balance the budget by cutting spending. Put the tax limitation provision in, the three-fifths vote, and

we will do it. There are nine States that have tax limitation provisions. In those nine States their taxes have gone up less and their spending has gone up less, an average spending of about 9 percent less and an average tax increase—an average in the years between 1980 and 1990—an average of about 14 percent.

We should vote for the balanced budget amendment with tax limitation. I ask for Members' support.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to this gentleman from Georgia [Mr. DEAL].

Mr. DEAL of Georgia. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to take us for a quick ride down our spending highway. If we assumed our income equals our spending and we are traveling at 55 miles per hour, if for every \$1 billion of deficit spending we increase our speed by 1 mile per hour, instead of going the posted 55 miles a hour, we are going 258 miles an hour.

And remember, that to get \$1 billion of revenue it requires approximately 250,000—that is right, a quarter of a million—individual average tax returns. So not only are we exceeding the speed limit by 203 miles a hours, we are spending the money from 50,750,000 average individual tax returns that we do not have.

□ 1800

And that is just in 12 months. If we are to have to pay off our national debt right now, it would require the taxes from 1,171,000,000 average individual returns that we do not have.

Even if the debt never increased and we never paid any interest on it, it would require all the revenue received from all the tax returns of all individual taxpayers in this country for almost 11 years just to pay off the principal. So if you think we can slow this vehicle down that is traveling 258 miles an hour by just posting a slow-down sign, you are wrong. We have tried it. If you think we can slow it down by putting speed breakers in there, we have tried that, too.

Gramm-Rudman 1 and 2, the Budget Acts of 1990 and 1993, you are wrong; we hit those bumps, we picked up speed, and \$2 trillion in debt, since we hit them.

It is time we called out a traffic cop with a radar gun to slow us down. That is what the balanced budget really is, Mr. Chairman. It is time to call out the cops.

Mr. HYDE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I particularly thank the truly distinguished chairman of the Committee on the Judiciary for yielding me this time.

I rise in support of the balanced budget amendment. I am a name co-sponsor with the gentleman from Texas [Mr. STENHOLM] and the gentleman from Colorado [Mr. SCHAEFER] on

theirs, but I also support the Barton three-fifths tax limitation as well.

But it is the concept of what we are doing. Let me just say I would like to congratulate this entire House of Representatives on considering the most significant chance to end doing business as usual down here that we have probably ever considered, and doing it early on in January. I think it makes a huge difference.

I thought the way I could spend what is left of my 3 minutes is to just tell you a story about what has brought me to be so supportive of the balanced budget amendment, my own personal experiences.

I am from the State of Delaware. I was in the legislature of the State of Delaware. I was there in the 1970's. During that period of time, we had some difficult problems. We never balanced our budget. We borrowed money in virtually any way you could possibly borrow money, short-term, long-term, whatever it may be. We had the highest personal income taxes in the entire United States of America, 19.8 percent State taxes, this is. Businesses were leaving Delaware as fast as they could make up their minds to be able to get out. Then we came along, and some individuals, and I was not involved in this, adopted a balanced budget amendment. We have the three-fifths tax limitation. We adopted the line-item veto. We have rainy-day. We have other cushions. We have everything you could possibly imagine.

Since that time, since we woke up in the end of the 1970's, we have balanced our budget 18 straight times in the State of Delaware. We have reduced our taxes five times in the State of Delaware. We have created more jobs than practically any other State on a percentage basis; I know, we are a small State. We did reduce poverty more than any other State during the 1980's. We became a financial success story.

It is not easy. It was very tough to do this. In addition to all those constitutional amendments and changes, we had to struggle with small pay increases, in fact, no pay increase one year for State employees. We eliminated waste. We had an early retirement option. It was a very difficult matter to carry out.

We expended Medicaid perhaps a little more slowly than some other States did. We did create economic opportunities, because we saw the other opportunities, because we saw the other side, if we could bring in revenues, and we have different banking laws in the State of Delaware which have helped us attract jobs to our State, and we have made fiscal adjustments each and every year to keep our budget in balance.

We are absolutely convinced that this is the way to go, and I am convinced this is what we should do in Washington, DC.

What if we do not pass the balanced budget amendment? What if we just go

on as we have with business as usual? Well then, in my judgment, the easier choice will be made virtually every time, that is, to extend, to expand, and to add programs. The debt will bury our future generations, and the inefficiencies, because of political malaise, to make the tough decisions will simply carry on.

For all of these reasons, I believe that each and every one of us should tomorrow realize that this is not just a procedural vote. It will lead to many, many years of very difficult votes, both of which are going to benefit the people of the United States of America.

I hope we will all support the balanced budget amendment.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NADLER], a member of the Committee on the Judiciary.

Mr. NADLER. Mr. Chairman, I oppose this amendment, because we should not write fiscal policy into the Constitution.

Of course, we want balanced budgets most of the time. But it is nonsense to speak of a balanced budget without separating out a capital budget.

Every State, every local government, every business has a capital budget and an operating expense budget. The operating budget must be balanced, but the capital budget enables long-term investment, highways, bridges, tunnels to be financed by borrowing.

Any family borrows to buy a car or a house.

This amendment would prohibit the Federal Government from ever borrowing except in wartime. This is nonsense.

Second, budgets should be balanced over time, not every year. In good times, the operating budget should be balanced or have a surplus to pay down the debt. During a recession we should prime the pump, cut taxes, increase expenditures, run a deficit to stimulate the economy, to put more people to work, and to get out of the recession.

This amendment would force the Government to violate all we know of economic policy and cut spending during a recession to offset the lower tax receipts generated by the recession. This is a good way to turn a recession into a depression.

That is why the Owens amendment which I support would suspend operation of a balanced budget amendment when there is high unemployment.

Third, the proposed three-fifths rule would require a 60 percent vote to pass bills to improve enforcement of the law against tax cheats, to close special-interest tax loopholes, or to revoke most-favored-nation status of countries that violate human rights. A minority of the House would be able to block any of these actions.

Finally, our large national debt and the Republican decision to increase substantially defense spending means inevitably that a balanced budget amendment would force us to gut

spending on Social Security, Medicare, and other vital programs.

Mr. Chairman, we do not need this dangerous amendment. In the last 2 years we have cut the deficit almost in half. We need to continue a prudent fiscal policy. We do not need to rewrite the Constitution.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. NEY].

Mr. NEY. Mr. Chairman, I want to talk about reality and fact today versus uncertainty and doubt.

And the uncertainty and doubt mentioned is budget estimates. The reality is it has been done. It has been done in many States.

But Ohio sets an example, one of the larger budgets in the United States, and you have the executive budget, you have the legislative budget office. Sometimes their statistics do not agree. But you come to a middle point and you take the conservative end of it. Usually that tends to give us the basis to be able to operate on a balanced budget.

The doubt, it has not all been set out over the course of the next 7 years. The reality, the State of Ohio, like many other States, has made it a reality that we set out a budget pattern. We accomplish a short-term goal, and it works. The doubt, this system will not work: The reality, it does. Last month I was chairman of the senate finance committee in Ohio. I guarantee you had we told the members magically there is no more cap on the Ohio budget, the end result is they would have crawled on glass to get there to spend money. It does work.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE], a member of the Committee on the Judiciary.

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Formulating laws and studying our legal system has occupied most of my adult life. At each level of my professional career, I have taken an oath to uphold the laws and principles of the Constitution of the United States of America, and I take this responsibility very seriously.

I feel very great cause for concern over this most recent attempt to alter the Nation's most sacred charter, not that it has not been done, but simply the process is one that bears a great consideration and seriousness.

Clearly any changes that are to be made to this document should only be made upon careful deliberation and dialog. At this time, however, I do not feel that we have gone forward in a bipartisan spirit and open debate to do this monumental task.

Oh, I know the stories have been told about the years of trying to balance the budget and all the Congresses that have not, but I come here a new Member representing my constituents and believing that we have the ability to handle this in a manner that shares

with the American public the direction in which we are going.

In this Committee on the Judiciary time and time again in a bipartisan spirit SHEILA JACKSON-LEE offered military preparedness, protecting Medicare and Medicaid, offering Social Security amendments, not to stop the progress but simply to provide for the American public a realistic look at the balanced budget amendment.

There are too many questions that I still have, and they are still left unanswered. Precipitous cuts in essential Federal programs, especially programs that assure health, safety, well-being, and educational opportunities for our citizens clearly are in the national interest. The majority wants to balance our budget by cutting spending by 30 percent without raising taxes. This will hurt our children's programs, Medicare, Medicaid, and veterans' services.

In Texas alone over 180,000 babies, preschoolers, and pregnant women would lose infant formula and other WIC nutrition supplements. If we pass the balanced budget amendment, 420,000 children in Texas will lose food stamps; over 500,000 would lose Medicaid health coverage.

□ 1810

While these alarming numbers are specific to my State of Texas, I have to stand up for my people in my State and in the entire Nation. As legislators it is our responsibility to examine the effects of this legislation in detail and to truly understand the consequences of what we are doing.

When we talk about dropping education benefits, 37 percent of the people say they support the balanced budget amendment. When we talk about cutting social security, only 34 percent of the American people.

I simply ask that we detail where we are going and what we are doing. I simply ask are we going to cut child welfare dollars or are we going to fight for a new flight bomber? It is very important, as we discuss a balanced budget, that we focus on the substantive impact and whether or not Congress and the President can actually achieve a balanced budget amendment.

We must understand the enforcement mechanism. Who has standing? The question has never been answered.

Does the senior citizen in the 18th district of Texas have the opportunity to go to the Supreme Court and say they have been impacted negatively by the balanced budget amendment? I think they should. The questions are still unanswered.

We have a great responsibility as we amend our Constitution, and I believe that we must give reverence to the Constitution of the United States. An open rule, and understanding of where we are going, that is what we need in a balanced budget amendment, but we need most of all to understand and respect the Constitution.

Mr. HYDE. Mr. Chairman, I am delighted to yield 2 minutes to the

learned gentleman from New York [Mr. HOUGHTON].

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. I thank my learned chairman.

Mr. Chairman, I am trying to figure out a way of how to get into this conversation because so much of what I had intended has already been said.

Let me just say one thing: I was down here in 1982 with the Grace Commission. We had a deficit of \$200 billion. We had great plans, we had suggestions to close that gap, cut the spending. Nothing happened.

I came here as a Congressman in 1987. Our deficit was still \$200 billion, and we had all of these plans, Gramm-Rudman-Hollings, all of the great laws. Nothing happened.

Here we are now with a deficit of still \$200 billion or approximating that.

There was a man called C. North Cole Parkinson, who said expenses have a tendency to rise to exceed income. That is what is happening here.

I think it is really a bad idea, if there were any other alternative to having a constitutional amendment. However, I am convinced now that it is the only way of doing this thing. I am not for the three-fifths for the tax increase. It is not practical. It will not work. But I am for a balanced budget amendment.

Let me say one other thing: That is the easy part. The hard part is to put this into practice. Peter Drucker always said that all great ideas ultimately degenerate into work. This is what is going to happen here. The easy part is passing this legislation; the hard part is going to be to put it into effect.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. I thank my friend for yielding this time to me.

My colleagues, in the rush to pass a constitutional amendment and tamper with the Constitution to do something that we do not have the guts to do ourselves, let us tell the American people what we are really doing. Let us be honest with the American people.

If the American people knew what this balanced budget amendment would do, there would be a hue and cry in the land.

We are exempting social security. I agree. We are telling our senior citizens that by exempting social security, they will be all right. Who is kidding whom? Do you know the Medicare cuts that will come as a result of this balanced budget amendment? My senior citizens and senior citizens across this country that are on Medicare and cannot make ends meet now will face cuts of 20, 30, 35 percent. They cannot get money to pay for prescription drugs or the health services they need now. Forget it after the balanced budget amendment.

Medicaid, decimated; veterans benefits, decimated. You veterans who think you will continue to get outpatient services under a balanced budget amendment, outpatient health services, forget it. That will be gone.

Education, school lunches, magnet school programs, forget it. Tremendous cuts. Our children are going to suffer in future years.

Mass transit, Meals on Wheels, the environment, forget about clean water and clean air, there will not be money for that.

More cops on the beat, housing, health research.

Federal pensions, we can forget about all the things the American people have come to expect.

Wake up, America. If we do not have the guts here to do what we have to do, a balanced budget amendment is not going to do it for us. All it is going to do is impose terrible hardships on the American people, senior citizens, and our young people.

If Congress declares war, we have to have a separate vote on a military action and then a second vote to decide to unbalance the budget. This is unworkable.

It is a disaster for America, and I will vote "no."

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from California [Mr. PACKARD].

(Mr. PACKARD asked and was given permission to revise and extend his remarks.)

Mr. PACKARD. Mr. Chairman, after hearing the last remarks, the most scary scenario of all would be for us to continue to run this country into bankruptcy and then there are no programs that are going to get the benefit.

Mr. Chairman, last November the American taxpayers declared that enough is enough. They are fed up with the Federal Government's liberal tax-and-spend policy. Passing the tax limitation balanced budget amendment will insure that the Government will balance its budget without raising taxes. The three-fifths rule serves as a vital disciplinary tool. It will help Congress resist the temptation to fall back into the liberal tax-and-spend habit of the past 30 years. It will keep Congress' sticky fingers out of the American taxpayer's back pocket. Are not American people already being taxed enough? Forty-nine States operate with a balanced budget amendment. Every American working family must balance their checkbook each month.

Is it not time for the Federal Government to start living within its means as well? I urge all my colleagues to vote in favor of the Barton amendment.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Chairman, democracy means majority rule, but it also means government of, by, and for the people.

In the context of democracy, there are two things that trouble me greatly about the Barton constitutional amendment for a balanced budget.

First, the resolution seems to trample on the right of the people to know under what burdens they must suffer at the hands of the Government. The resolution, second, seems to ignore the sacredness of the Constitution of the United States.

On one occasion, President John Adams spoke of the right to know. He said, "Liberty cannot be preserved without a general knowledge among the people who have a right to know." That right, he said, "is indisputable, unalienable, infeasible, and devine." Passage of the proposed Barton constitutional amendment in its current form denies the people the right to know.

In order to achieve a balanced budget by the year 2002, as provided in the amendments, an amendment must provide that we must make those hard cuts. \$1.2 trillion will have to be cut in a range of entitlement programs alone.

Why will not the majority tell us how those cuts will be made?

These are not social security alone, there are other entitlements beyond social security. If the tax cuts envisioned are made, indeed we must make cuts beyond that. More than \$450 million in additional cuts would be made. That will mean farmers in my State and rural communities, water sewage, all of those projects will be subject to cut.

One of the sponsors of the amendment has said that we should not let the people know because, "If they know they will buckle at the knees." I disagree. Knowledge is the beginning of wisdom. A wise America is a strong America and will make the decisions as to the necessary cuts if they believe, if they believe those cuts are necessary for the welfare of this country.

My second concern is, while I agree that the Constitution is a living, breathing document, it is not a document that we should take lightly. It is not subject to every political whim, and the people will say that we are good politicians. It is a sacred document. It has only been amended 27 times in more than 2 centuries. Therefore, we should take as sacred our responsibility to first deliberate, then understand, then to inform the American people what it is we are about to do.

□ 1820

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. FOLEY].

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I rise today in strong support of the constitutional amendment to balance our budget and especially the Barton amendment with the three-fifths provision.

Almost 180 years ago, Mr. Chairman, Thomas Jefferson, a man well ahead of his time, stated, "To preserve our independence we must not let our rulers load us with perpetual debt."

Now I have heard from a lot of people today saying, "When the American public finds out how you are going to do this, they will be outraged."

My colleagues, the American public is outraged now, is asking us, "How do you do it? If I bounce a check, the bank will shut my account. If I go over my limit on my Master Card, they will cut my credit."

The United States of America spends money it does not have while parents at home have to tell their children, "You can't go to the University of Florida or Florida State. We have to keep you at home because we can't afford the tuition." Parents make those choices every day. The American Government must make those same choices.

Mr. Chairman, we must balance this budget in order to assure future generations the same opportunities we have in this country.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER].

(Mr. OLVER asked and was given permission to revise and extend his remarks.)

Mr. OLVER. Mr. Chairman, we are fast approaching 5,000 billion dollars in debt, and the interest on that debt is \$200 billion every year. That interest on the debt is greater than the deficit for this year for the first time, and it will be for many years in the future. Much of that interest goes to foreign sources, and it denies our people's needs that we should be paying that interest. But how did we get here?

The majority of us in this Chamber were not here when the vast decisions were made on this issue. For a 12-year period not one budget was presented that was in balance by either President Bush or former President Reagan. And the Congress, after passing those budgets, those budgets which were than presented and signed by those Presidents, all of those budgets which were out of balance, not a single one of them was vetoed. So, I deplore the history that got us to that point, and it was in that period of time that we went from 1,000 billion dollars to 4,500 billion dollars of debt.

So, I intend to vote for some of the proposals for balanced budgets. I will vote for those that involve capital budgeting because every family and every State in this country provides for some degree of amortization for its investments in the future, for construction of long-term nature at the State level, for homes at the family level. I will vote for the protection of Social Security. I will vote to allow the

fast action when we have a recession and need to do something countercyclical to deal with the recession. But I will not vote for amendments that allow for a minority to control budgetary decisions.

So, Mr. Chairman, I will vote against the Barton amendment and hope that it is defeated.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. MARTINI].

(Mr. MARTINI asked and was given permission to revise and extend his remarks.)

Mr. MARTINI. Mr. Chairman, I thank the gentleman from Illinois [Mr. HYDE] for yielding this time to me.

Mr. Chairman, once again the House is about to consider a balanced budget amendment. I rise today to throw my support behind this important measure, particularly the Barton amendment.

For the last 25 years, Mr. Chairman, this Chamber has accumulated deficits that defy logic. After a quarter century of living on borrowed money, today I say "Enough is enough."

Previous attempts to balance the budget without a constitutional amendment have failed. Time after time Congress has shown that it lacks the discipline to adhere to goals that it sets for itself. It is clear only a new approach will bring lasting fiscal restraint on this body.

Mr. Chairman, the world will not come to an end if this amendment passes. Those naysayers who claim that the sky will fall if we embrace fiscal responsibility in our Constitution are just the guardians of an oversized government that has betrayed the American taxpayers by wasting too much of their money. Let us end the congressional spending spree and support the balance budget amendment.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. TANNER].

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Chairman, this is the fourth time that I have been on the floor on this subject since I came here 6 years ago. I am in my seventh year now. We have come within 12 votes one year, 9 votes one year, and, I think, even 7 votes one time, and I want to commend the gentleman from Texas [Mr. STENHOLM] and the gentleman from Colorado [Mr. SCHAEFER] for bringing once again, I think, a workable solution to our problems.

Abraham Lincoln, our 16th President, once said, "A majority held in restraint by constitutional checks and limitations is the only true sovereign of a free people. Whoever rejects it does, of necessity, fly to anarchy or to despotism."

I think, if he were here today, he would say the same thing. What he said was, in my words: There must be a clear, cogent and compelling reason to

disregard this most basic premise of democracy: majority rules.

Over the past 25 years, Mr. Chairman, a clear willingness to borrow from tomorrow for today's gratifications has been shown by administrations, Democrat and Republican, by Congresses, Democrat and Republican, and the American people. Therefore, Mr. Chairman, I think circumstances justify, or maybe even demand, a three-fifths requirement for a supermajority to borrow money as it relates to our national debt and to place such a restraint in our most basic document of government, the United States Constitution.

Always in these arguments about spending, Mr. Chairman, those whose voices are not heard in these decisions to raise the debt ceiling are those who are not here: our children, our grandchildren and their children. On the other hand, Mr. Chairman, there is a significant and profound influence in our body politic to prevent this or any Congress from raising taxes.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I rise in strong support of the tax limitation balanced budget amendment to the Constitution.

Without question, Mr. Chairman, this is the single most important budget reform contained in our Contract with America.

As the recent debate over Federal funding for the Corporation for Public Broadcasting has demonstrated, every item in the Federal budget has a special interest constituency ready to lobby Congress to protect their funding and their programs. The outcry from these organized interests will only get louder as we continue to look for ways to control the size of government. A well-drafted constitutional amendment will protect the general taxpayers' interests from this continued onslaught of special interests, giving Congress the backbone to cut spending first. That is why tax limitation is so crucial to reducing the size and scope of government.

As former President Ronald Reagan was fond of saying, "The American people are not taxed too little. The government spends too much."

I say to my colleagues, "If you agree that Federal spending, not lack of new taxes, is the reason for the deficit problem, then support the tax limitation balanced budget amendment."

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I rise in very strong support of the balanced budget amendment, and I believe that this issue should unite Democrats and Republicans, liberals and conservatives, Perotists and populists. I believe that we all should get behind a

balanced budget, and I believe we should for the following reasons:

We are currently spending \$212 billion on interest on the debt. Let me repeat: \$212 billion on interest on the debt.

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That is 14 percent of our budget; \$14 out of every \$100 collected from our taxpayers go to interest payments.

Now, to a fiscal conservative, naturally that would be outlandish and offensive, to spend \$212 billion on interest payments, and to a social liberal, to spend \$212 billion on interest payments, when you might argue that it should go to Head Start, immunizations for children, technology investments. All Democrats and Republicans should be behind a balanced budget.

But, Mr. Chairman, if this is the backbone, then comes the courage. We must work in bipartisan ways to come up with majority votes to cut spending. Not Social Security, but cut spending on a space station that is over budget, cut spending in our own personal offices and pass a law so we can have that money go to the Treasury Department so we have it go to take down the debt. We must come up with cuts in the Interstate Commerce Commission, in the Agricultural Conservation and Stabilization offices. Across the board we must look at programs in a bipartisan way.

Finally, I know that tax cuts are as popular as apple pie, but apple pie has to be paid for. We are talking about a balanced budget. If we have to come up with \$200 billion for tax cuts, why do we not concentrate on the balanced budget for the next year, and then determine if we have money for tax cuts? I think the American people want us to make those tough cuts in spending, and balance this budget. Because if we balance the budget, that is the best tax cut we can give for all Americans. Working Americans, every American benefits from lower interest rates, from a growing economy and jobs, and we get much-needed credibility back in this institution that we can do things.

I encourage all votes for a balanced budget amendment.

Mr. Chairman, I rise in strong support of the constitutional balanced budget amendment. As we are all too well aware, Federal budget deficits have been and continue to be a chronic problem which plagues the Nation. In 56 of the last 64 years, the Federal Government has run a deficit. We have now reached the point where the public debt of the United States exceeds \$4.7 trillion. That is crazy!

According to the Congressional Budget Office, the interest payments on the debt will cost the American taxpayers \$212 billion this year alone. Put another way, 14 percent of every tax dollar that the Government collects will be used to pay the interest on the debt. These are funds which we could and should be using for programs such as Head Start, child nutrition, education, job training, and so many other important programs.

This deficit continues to harm our Nation's economy, stifles economic growth, and jeopardizes the future prosperity of our children

and grandchildren. Our debate today about a balanced budget is really a debate about the future of this country.

Clearly, spending cuts are the best way to achieve a balanced budget. Throughout my career, I have never hesitated to make the tough choices to cut spending, even where my votes were not always politically safe or popular. Spending cuts must continue to be our top priority.

While the balanced budget amendment is not a panacea for all of our economic ills, I believe that it will help. It will provide a badly needed element of discipline to the budgeting process, by requiring the President to submit a balanced budget, and prohibiting Congress from enacting a budget where spending exceeds revenues.

Mr. Chairman, while I strongly support the balanced budget amendment, I want to make it clear to the senior citizens in my district that I believe that Social Security should be fully protected. I am pleased that earlier today the House passed overwhelmingly House Concurrent Resolution 17 which directs Congress to leave Social Security alone when it is forced to comply with the balanced budget amendment.

Mr. Chairman, since I was first elected to Congress, I have supported a balanced budget amendment. While a balanced budget amendment will not eliminate all wasteful Government spending, it represents a significant step toward controlling spending. In recent days, much attention has been focused on tax cuts. In my view, deficit reduction is the best tax cut for all Americans.

Mr. Chairman, the future of our children and their children is at stake. Let us pass the constitutional balanced budget amendment to ensure that their future is full of hope rather than crippling debt.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the very distinguished gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I rise in strong support of the Barton balanced budget amendment.

Mr. Chairman, I remind my colleagues of a few facts: In the last 30 years, the Federal Government has balanced its budget exactly one time, 1969. The national debt amounts to \$13,000 per person in this country, and the interest payments now amount to over \$800 per person per year. But opponents say we do not need an amendment, just let Congress make the spending cuts. Well, most proposals or spending cuts are like the magician's trick of sawing in half the lady in the box. There is a great deal of hoopla, there is a great deal of fanfare, and then something appears to be cut. But when it is all over, nothing much has changed.

That is why we need a balanced budget amendment, to discipline our own profligate spending habits. And we need to have the supermajority requirement, the tax limitation proposal. We have it in the State of Arkansas, where I am from, and it works in Arkansas and it will work here.

Mr. Chairman, deficit spending is stealing. It is stealing from our children and it is stealing from our grandchildren, and it must stop.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the chairman of the Committee on the Judiciary for yielding.

Mr. Chairman, on November 8, the American people put their bloated Federal Government on a diet. The balanced budget amendment with taxpayer protection is step 1 in Washington's weight loss program.

Federal fat has been growing for the past 25 years. Since 1969, when Congress last balanced the budget, the debt has grown to \$4.6 trillion. How Congress chooses to shed Federal fat is critically important. The balanced budget amendment with taxpayer protection causes the Government to change its eating habits by cutting spending first.

Like so many would-be dieters, the leaders of the minority have all kinds of excuses as to why the Government can't be made lean. These excuses can be termed budgetspeak.

Budgetspeak contend that massive cuts would be needed to balance the budget. They argue that every Government program is indispensable and irreducible.

Outside the corpulent Capitol, the American people know better. In reality, Congress can balance the budget by reducing the increase in spending. According to the Clinton administration's own numbers, if spending increases by 3 percent rather than by 5 percent, as currently projected, the budget will be balanced in 7 years.

Budgetspeak also contends that by taxing Americans more, the Government somehow will spend less. Yet both President Clinton and President Bush painfully learned that tax increases cannot solve our fiscal woes. Just last week, the President's Budget Director Alice Rivlin admitted that the administration had no plan to balance the budget.

Budgetspeak deride this amendment as a gimmick. They assert that Congress should instead make serious choices to reduce the deficit. Yet look at the voting record of these budgetspeakers. The National Taxpayers Union, a nonpartisan watchdog organization, tallied the votes of the 103d Congress and graded every Member of Congress on how carefully they spent the American people's hard-earned money. Every member of the Democratic leadership received an "F."

Mr. Chairman, the American people understand budgetspeak is code for why the Government can't diet today.

Mr. Chairman, as chairman of the contract with America's working group that produced this amendment, I urge its passage.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Virginia [Mr. GOODLATTE],

a very valuable member of the committee.

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I keep hearing the opponents of this amendment claim that they oppose the amendment because of the spending cuts that will affect their favorite programs that they feel are going to hurt people when they are cut. But what about their concern for the future of our children and grandchildren as we continue to pile debt upon debt on them?

We now are averaging deficits of approximately \$200 billion a year, a \$4.7 trillion debt. That is \$18,000 for every single person in this country. And as we increase that debt, we increase the interest payments. And right now by doing that year after year, we are reducing the portion of the debt budget each year that can be used to spend on programs, because an increasing proportion of it has to go to pay for interest on that debt. We need to stop that increase in the debt, we need to cut it back.

Voting for this amendment is going to be an important part of this process, but it is only going to be the beginning. We are going to have to step up and make those cuts, but we are going to do it in the interests of our children and our grandchildren.

We must make sure that the budget is balanced by cutting spending, which never seems to happen in this House, particularly on the domestic spending side. We cannot do it by continuing to increase the percentage of people's incomes that goes to taxes.

We have a situation where year after year, whenever we have a crisis with our spending, we increase taxes, we do not decrease the spending. And that is why we have got to support the Barton amendment to level the playing field, because historically we have found it easier here to increase taxes than to cut spending.

This has historically proven to work in States that have the supermajority requirement, and I urge the support of the Barton amendment.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from Georgia [Mr. BARR].

Mr. BARR. Mr. Chairman, I thank the gentleman for yielding time.

Mr. Chairman, for too long the American taxpayer has suffered from Congress' inability to control spending. That is why people all across the country, and in particular my constituents in Georgia's seventh congressional district, so strongly support the balanced budget amendment as the first critical step to reining in reckless spending practices of the past.

Passing a balanced budget amendment, however, is not enough. True protection for the taxpayer means passing the BBA with the Tax Limitation or Taxpayer Protection Act. Putting real teeth in the balanced budget amendment, means we must pass the

three-fifths supermajority, tax limitation provision to keep future Congresses focused on cutting spending and reducing the size of government.

In the Judiciary Committee, we passed this version of the balanced budget with strong support of the Members.

Here in this body we have heard the message that people are tired of the waste, tired of the excess and tired of the debt. Last November the people spoke and they want action on the BBA now.

However, there are still those who continue to persist in a vain effort to defeat the will of the people. A number of self-serving arguments have been made in defense of the status quo. One such argument is that we should not consider the balanced budget amendment until we have laid out every single line item to be cut.

That is like telling coach Seifert of the San Francisco 49ers that before he can play the Chargers this Sunday in the Super Bowl, he must turn over the playbook before the big game.

It is an absurd argument to say we cannot vote on the balanced budget amendment until we let opponents gut the bill. Just as it is absurd to expect the 49ers to play, knowing that their opponent has their playbook.

What does make sense are rules that apply to the big game and established the limits that make the game playable. In the same way, the American people are demanding new rules, rules that set finite limits about spending, and therefore, the size of government.

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Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA], creator of the urban caucus.

(Mr. FOGLIETTA asked and was given permission to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in strong opposition to the Republican balanced budget amendment proposal. The amendment forces us to play blind man's bluff with the economic prosperity of our Nation, and the safety net for our most vulnerable citizens.

For 2 years, the work of our President and the Congress has reduced the deficit. We can make much more progress with more hard work, more tough decisions and more courageous votes.

However, this legislation is far from responsible. It is neither hard, nor tough, nor courageous. What's missing here is honesty. Honesty that would come if the proponents set out the details of how \$1.2 trillion in cuts would be made.

One time, we had a vote on such a plan, though I did not agree with it. It came from the gentleman from New York, now Chairman of the Rules Committee. It would have balanced the

budget over 5 years. It would have cut over \$698 billion in spending, and offered the American people over 500 specific program cuts.

It would have cut the grants that create jobs and private low income housing in cities by \$23.9 billion.

It would have cut child nutrition programs, like school breakfasts and lunches, and WIC, by \$1.9 billion.

Medicaid payments to hospitals, serving large populations of the poor, would have been cut by \$27.5 billion.

The Solomon plan did not raise taxes. It did not touch Social Security. And it increased defense spending. But at least it was honest. And altho that sounds a lot like the Contract with America, only 56 Republican Members voted for it.

We must then assume the proponents of this amendment are looking for something different. And thus, the question still stands. How do you cut \$1.3 trillion in spending?

I, along with JOHN CONYERS and JOSÉ SERRANO, sent a survey to every member of this House, asking how they'll cut the budget. So far, we have not received a single response.

I am convinced that there is a reason why the proponents of this amendment won't tell us how they'll find \$1.3 trillion in spending cuts.

Because the cuts will be so draconian that they will destroy what is left of the safety net.

Because the cuts will be so severe that we will have to break our contract with senior citizens.

Because the cuts will be so tough that they will bankrupt Urban America, I strongly urge my colleagues to vote against the balanced budget proposal.

I am convinced that they only amendment before us that will balance the budget in a responsible way is through the creation of a capital budget. That's why the Wise substitute is the only responsible and honest amendment. It allows us to borrow money to preserve and expand our capital, just like States and cities do, just like every American family does in attaining the American dream of home ownership. It is important that it would leave enough room in the opening budget to keep the safety net in tact, and spend money to meet national priorities like education and economic growth.

The remaining amendments leave us in the dark and could jeopardize this Nation's very future.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. CHABOT], a very valued member of our committee on the Judiciary.

Mr. CHABOT. Mr. Chairman, I rise in support of the Barton amendment which I believe will best protect the American taxpayer. Since this House last voted on a balanced budget amendment, just 10 months ago, before I got here, I might add, the national debt has increased by \$160 billion, less than a year, \$160 billion. That is a whole lot of debt.

Well, it is time we had the courage to do something about it. It is time we passed a balanced budget amendment.

Let us face it, Americans are forced to send far too many of their hard-earned dollars to this city. We must pass a balanced budget amendment now. I support balancing the budget by cutting spending, not by raising taxes.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I rise in opposition to the resolution. I support a balanced budget, but the proposed constitutional amendment in no way guarantees that we will achieve one, and even then, not until 2002 at the earliest. As the gentleman from Illinois, the chairman of the Committee said in his opening statement, this legislation is about process, and I believe this process is flawed for several reasons.

First, this bill would amend the Constitution to require the Congress to achieve a balanced budget by 2002 or the date after which the States have ratified such an amendment, but it in no way details how the President or Congress would meet the targets necessary to do so. It is ironic that as we begin this debate, few, if any of the proponents have ever submitted a balanced budget for consideration by the Congress. Few, if any, have come to the floor during this debate to explain to the American people what a balanced budget would look like. While many argue that Social Security is off the table, we have no guarantees. Some have gone as far as to say that a balanced budget would make one's knees buckle and to disclose such information would most certainly mean defeat of this measure. My colleagues, that candor in lack of disclosure begs the question that we must answer for the American people, what cuts must we make to achieve a balanced budget? Will it cut Medicare and veterans benefits? Will it cut education and college loans? If that is the will of the Congress, the people deserve a right to know.

Second, this legislation, which I restate is one of process, is inherently flawed. Whichever you choose, the Congress may waive the requirement of a balanced budget by a vote. So if we are not willing to tell the American people how we would balance the budget will we be willing to actually follow through in 2002 when the knee buckling hard decisions must be made? There is no guarantee.

I believe we must take efforts to balance our budget, but to impose fiscal restraints through the Constitution without any explanation is not the way. I have argued for, and I have introduced, legislation which provides for a better, more efficient process. Rather than amend the Constitution, why not amend the Budget Control Act and require the President to submit a balanced budget and the Congress to consider one, next year. This process is

better in three ways: First, it puts the numbers before the American people so they can understand the pain and sacrifice necessary to achieve a balanced budget. That is fair disclosure. Second, it holds the President and Congress accountable by requiring consideration. You have to vote on the issue, not just to waive the requirement as the amendment process would allow. And, third it allows us to more quickly address our budgetary problems because this legislation can be adopted and implemented for fiscal year 1997. If we are really serious about balancing the budget, we should begin the process now, not in 2002.

My colleagues, like many here today, on both sides of this issue, I do not stand before you with an iron-clad plan to balance the budget. I believe there is no one in this House who could achieve that plan without severe pain and sacrifice. If we are going to get serious about achieving that goal, then we must be willing to go to the American people and lay out the details.

Like many of my new colleagues, I came to the Congress from the private sector where balanced budgets are a necessity if you wish to remain in business for a long time. I learned that the only way to achieve cuts was by sitting down together, reviewing the data and sharing in the sacrifice. If we are going to balance the budget, we must sit down with the American people at the same table and resolve together a map toward a balanced budget. I have a plan which provides the process to do so which I have offered. This bill, in my opinion, falls short of that goal because it fails to tell us how we get from here to there and therefore I must oppose its passage.

The CHAIRMAN. The Chair wishes to announce that he inadvertently shortened the gentleman from Pennsylvania [Mr. FOGLIETTA] by 1 minute and has, therefore, added 1 minute back into the time of the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I thank the Chair.

Mr. HYDE. Mr. Chairman, that last activity of the Chair is not debatable, I take it?

The CHAIRMAN. No, it is not.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Illinois [Mr. FAWELL], the head of the pork busters caucus.

(Mr. FAWELL asked and was given permission to revise and extend his remarks.)

Mr. FAWELL. Mr. Chairman, during the debate Members argue, of course, that we do not need a constitutional amendment because Congress can be trusted to balance the budget without one.

Well, that is what I thought 10 years ago, when I came to Congress. Since then, Congress has rejected countless attempts to balance the budget. Just last year the gentleman from New York [Mr. SOLOMON] and the gentleman from Michigan [Mr. UPTON] and I brought a budget plan to the floor.

We specified, for instance, something like \$700 billion worth of cuts. It would

balance the budget in 5 years. And actually, during that period of time, Federal spending would go up, about \$8.2 trillion of spending over 5 years. We did not even touch Social Security.

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We thought it was a pretty good plan. It garnered 73 votes. Congress has failed to balance the budget for 25 years in a row. Who can look at this record and honestly say that they believe the budget will be balanced by trusting the will of Congress? Congress does not lack ideas of specificity on how to balance the budget, it lacks the political will to do so.

Mr. Chairman, I would suggested that the Barton balanced budget amendment be passed.

Russert: "Mr. Secretary, you sound like you don't want to balance the budget. I mean, how long would it take to actually balance the budget?"

Reich: "The President is against simply balancing the budget . . ."

Russert: ". . . what about actually balancing the budget? How long would it take to actually bring its budget into balance with an orderly and disciplined campaign?"

Reich: "But Tim, your question assumes that the goal is to balance the budget . . ."

Russert: "So the goal of a balanced budget is not your goal?"

Reich: "The goal of a balanced budget is not my goal."

This was the exchange between Labor Secretary Robert Reich and Tim Russert of NBC News on Sunday, January 15. Secretary Reich's comments epitomize the attitude of the Clinton administration toward balanced budgets, and the balanced budget amendment, which will soon be before Congress.

Secretary Reich's comments, and the President's continued opposition to the balanced budget amendment, suggest that the administration did not "get the message" of the last election. Two recent polls, CBS and USA Today/CNN, found that 80 percent of Americans support a balanced budget amendment to the Constitution.

In the debate over this amendment, you will hear many arguments by those opposing it. A recent argument is that those supporting the amendment must itemize which programs would be "cut" before passing the amendment. That's been done: Last year Congressmen GERRY SOLOMON, FRED UPTON, and I brought a budget plan to a vote which balanced the budget in 5 years without any tax increases. There were no cuts in overall Federal spending, but rather, decreases of planned increases in spending! We itemized 600 specific spending cuts, saving \$700 billion over 5 years. Nevertheless, overall Federal spending was still allowed to rise \$327 billion over 5 years. Yet, the plan garnered only 73 votes, 218 are needed for passage.

The point I'm making is that Congress does not lack ideas for how to balance the budget. Congress lacks the political will to do it. A constitutional mandate will fortify that will.

Another argument often heard is that we don't need a constitutional amendment because Congress could be trusted to balance the budget without any constitutional amendment. Technically, that's true. Nor do we need the first amendment of the Constitution to guarantee free speech. But we all feel safer

with that first amendment rather than trusting Congress not to pass laws infringing on our free speech.

With respect to attempts to balance the budget, we have tried the statutory route; and tried, and tried. In 1974, Congress passed the Budget Control Act to end deficit spending. The deficit and debt grew. In 1985, Congress enacted Gramm-Rudman I which required a balanced budget by 1990. Congress ignored it, then repealed it. In 1987, we passed Gramm-Rudman II which required a balanced budget by 1992. Congress repealed it in favor of the 1990 Deficit Reduction Agreement, another 5 year plan to cut the deficit which include \$222 billion in new taxes. It failed, new taxes and all. With a new President, in 1993, in the third year of the previous 5-year plan, Congress tried again with the Deficit Reduction Plan which included the granddaddy of all tax increases: \$250 billion. Most of the 1993 plan's cuts were in the out years, years 4 and 5. It is another failure as deficits are expected to soar toward the end of the decade.

Congress has failed to balance a budget for 25 years in a row. Who can look at this record honestly and say they believe the budget will be balanced by trusting the will of Congress?

There is a debate as to whether the constitutional amendment should include a provision requiring a "three-fifths supermajority in both Houses," as opposed to a simple majority, to raise taxes as part of any budget balancing plan. I support the inclusion of this supermajority provision in the Barton balanced budget amendment. Tax increases are not essential in order to balance the budget. As I said, we don't even need an overall cut in Federal spending. It can be done by simply decreasing increases in spending. Should the Barton balanced budget amendment be defeated, I intend to support the Schaefer balanced budget amendment and pass the toughest balanced budget amendment possible.

Mr. CONYERS. Mr. Chairman, I am pleased to yield 3½ minutes to the gentleman from California [Mr. BECERRA], a distinguished member of the Committee on the Judiciary.

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Chairman, I thank the gentleman from Michigan, the ranking member, for yielding time to me.

Mr. Chairman, having listened to all the remarks that have been said by most of the Members, it occurs to me we probably, in these few hours, have had to debate what will be a constitutional amendment to the Constitution of this country, and hopefully will last more than the 200 years that we have already spent as a democracy. It occurs to me perhaps the best thing we could have done is had every Member who came on the floor to speak say exactly how he or she would propose that we cut the budget to balance it, if they in fact are supporting a balanced budget amendment.

That is the best thing we could do, because everyone says they want to do it and they do not want to inflict pain on seniors when it comes to Social Security, and they do not want to dev-

astate children by cutting Head Start and other children's programs, but no one who is saying they are for this is saying how they will do it. Everyone talks about how well families have to balance the budget and local governments have to balance the budget and States have to balance the budget, and that is right.

Let us take a family under his balanced budget amendment proposal by the majority party. Could a family out in the real estate market go out there and buy a house? They could if they could come up with every single dollar and dime and cent that that house would cost, because under this proposal they could not run a deficit for a year, so that family would not be able to take out a 30-year mortgage, not be able to take out a 15-year mortgage. They could take out a 1-year mortgage, but by the end of that year they had better pay it all up or they cannot get that house, and they are out.

What about student loans? How many folks have children in school or desirous of going to college? Forget about borrowing money from the Government under the NDSL, the GSL or other student loan programs at low interest rates that allow people to do it, because by the end of the year that family has to balance its books.

Auto loans? Want a car? Need a car? the person had better be able to pay all the cost of that car by the end of the year.

I had a amendment which would have changed the way we look at this balanced budget amendment, and said if we happen to have a surplus one year, then let us use that surplus as a rainy day fund for those days or those years that come along when we have a recession.

I could not even get that amendment considered in committee. I was blocked in a closed rule which would not allow the debate. If I wanted to add that amendment today, I would not be able to because this debate is closed, only to that which the majority said we can debate.

This amendment, Mr. Chairman I cannot offer, as much sense as it might make. Understand something, all the money that we spend in a year, if we end up with a surplus, those agencies that ran that surplus know they cannot use that money. It goes back to the Treasury.

What does it encourage? The use or lose mentality. "I have the money in my account. I had better use it, or I am going to lose it for next year." That is not prudent spending.

Where will the cuts come? I believe we can say that the majority here is playing hide and seek. First the Republicans tell us they are going to increase military spending, not cut it, just increase it. Second, we know we have to pay the debt, the interest on the debt, which is around \$250 billion. That amounts to about 30 percent of the budget. Off the table, we cannot consider it.

What is left to cut \$1.2 trillion to balance the budget? Social Security, which the Republicans have refused to include in this balanced budget amendment as exempted; Medicare, education, Head Start. What is the conclusion? We have heard it before: "Read my lips." The problem is we are not being told what there is.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1½ minutes to the distinguished deputy majority whip, the gentleman from Illinois [Mr. HASTERT].

(Mr. HASTERT asked and was given permission to revise and extend his remarks.)

Mr. HASTERT. Mr. Chairman, I rise in the strongest possible support of the tax limitation substitute of House Joint Resolution 1 that has been put forward by my friend, the gentleman from Texas [Mr. BARTON]. I have heard comments from our friends on both sides, but especially one comment from one of our colleagues on the other side of the aisle several speeches ago that said "The President, over 12 years of Republican Presidents, had never signed the budgets that were unbalanced, and he had never once vetoed that budget."

That is not true, because the President does not sign a budget and the President does not veto a budget. That is part of the problem. The President does not have any control over this budget. It is Congress that passes the budget. Forty years of Congresses have passed a budget that basically is out of control.

The U.S. Congress has not been able to control itself in meting our dollars and cents to the various programs across this country, and do it without mounting that debt higher and higher and higher every year.

In the past, as recently as two short years ago, this House passed the largest tax increase in history, and it passed it off to the American people as deficit reduction. That is why the substitute offered by the gentleman from Texas [Mr. BARTON] is critical. Adopting this balanced budget proposal and requiring a super majority vote in order to raise taxes will ensure that we can no longer look to the wallets and the pocketbooks of the American taxpayers to save us from ourselves.

Mr. Chairman, a national debt of \$4.5 trillion should finally convince every Member in this Chamber that Congress has not got the discipline to solve its own problems. This balanced budget amendment will put discipline upon us.

Mr. CONYERS. Mr. Chairman, I am delighted to yield 4 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman from Michigan for yielding time to me, and for his leadership on his amendment, which I will address in my remarks.

Mr. Chairman, I rise with the greatest respect for the gentleman from Texas [Mr. BARTON], and in strong opposition to his amendment. I object

particularly to the three-fifths provision of his legislation, but after carefully listening to the debate, I have concluded that while being a strong proponent for reducing the deficit, I do not believe that we should amend our Constitution to do so.

Mr. Chairman, as I was listening to the debate, I thought it might be useful to once again review, and we just made this quickly in our office, so this is not a very fancy chart, but just to call to the attention of our colleagues once again some of the facts regarding our budget.

The fact is, Mr. Chairman, we take in each year more money than we spend in our budget, except for the net interest on our national debt. The projected deficit for this year is \$167 billion. The net interest on our national debt this year is \$235 billion. We have taken in \$68 million more than we spend each year, except for the interest on the national debt. That is a great big exception.

My colleague, the gentleman from California [Mr. BECERRA], referenced that families cannot live within the limits if they have to pay for their house in one year, or their car, et cetera, but we cannot even deduct this interest from our taxes. This is the price we are paying for the failed trickle down policies. Let us not make that mistake again in the contract. That is a little bit of a separate issue from the balanced budget amendment.

Mr. Chairman, our other distinguished colleague, the gentleman from Georgia [Mr. BARR], mentioned that it would be like the 49ers giving the play book to the Chargers for this Congress, this majority, to show what cuts they would make, we would make, to the American people before we approve balanced budget amendment.

I think that is one, with all due respect to the gentleman, one sports analogy too far. The Chargers should not see the 49er play book. The public has a right to know what the cuts will be, so if it is true that Social Security is not to be cut, why not support the Gephardt-Bonior amendment? If Members believe that the American people have a right to know, then why not support the Conyers amendment, which makes all the sense in the world?

Mr. BECERRA. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I am pleased to yield to the gentleman from California.

Mr. BECERRA. Mr. Chairman, I thank the gentlewoman from California for yielding to me.

Mr. Chairman, I would like to just explore that analogy that was made. The interesting analogy that was made by the gentleman from Georgia [Mr. BARR] about the playbook, about the 49ers and the San Diego Chargers, makes it clear that the majority's opinion of this whole debate is that, as the 49ers, they have to keep the play book, in other words, how we will plan to balance the budget, away from the Chargers, which would be the American

people, so they treat the American people as adversaries in this whole process.

Ms. PELOSI. Reclaiming my time, Mr. Chairman, although we take pride in San Francisco of the 49ers being a gentlemanly team, when we talk about football it is a tough game, and I do not think we should play hardball with the American people. I think they have a right to know.

We should support the Conyers amendment, and in addition to that, if we are serious about balancing the budget and reducing the deficit, we had better get serious about real health care reform, so that we can reduce the increase in health care expenditures that are the rising cost of our deficit in our national budget.

□ 1900

But let us just remember once again, we take in more than we spend except for the price tag on the failed trickle-down economics.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRANKS].

(Mr. FRANKS of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. FRANKS of New Jersey. Mr. Chairman, Federal spending is out of control. It is bankrupting our national Treasury and threatening the quality of life that our children will enjoy in the next generation.

There is only one iron-clad way to stop this runaway freight train, and that is through the adoption of a constitutional requirement that this institution balance the American people's budget.

That is why tomorrow I will be proudly casting a vote for the Barton balanced budget amendment but with a level of disappointment. That stems from the fact that neither the Barton amendment nor any of the other amendments pending tomorrow strictly prohibit unfunded Federal mandates.

Virtually everyone who has come to the podium today has indicated that there are only two ways to balance the Federal budget: One is to cut spending and the other is to increase taxes.

But, Mr. Chairman, there is a third option, far more insidious than the first two, and that would come from the Federal Government requiring States and local governments to pick up the tab for programs currently operated and paid for by the Federal Government in Washington, DC. That could amount to an enormous tax hike for local property taxpayers, something that they can ill afford.

Mr. Chairman, judging from the past, Congress will avoid tough budget choices whenever we can. So to shed programs to other levels of government is a distinct possibility and we need to prohibit that possibility.

That is why our amendment that would have prohibited unfunded Federal mandates had the support of the National Conference of State Legisla-

tures, the very body that will be charged with ratifying the balanced budget in the various State capitals around the country.

But, Mr. Chairman, while I am somewhat disheartened by the fact that unfunded mandates are not at issue in this amendment, we hope to take it up separately this summer.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to my friend and colleague, the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the gentleman from Michigan for yielding me the time.

Mr. Chairman, obviously we are all concerned with balancing the budget. There are three areas, however, Mr. Chairman, that are bones of contention. The first one is the area that my illustrious colleague who just yielded to me has produced an amendment about, and that is to have truth-in-budgeting.

We should be honest with the American people. As my colleagues just indicated before I came up here, Mr. Chairman, we should not play hardball with the American people. They are not our adversaries. Therefore, we should be honest with them. Let them know where the cuts are going to have to occur because they are going to have to occur right in their pocketbook, whether we are talking about Social Security or whether we are talking about our young.

It reminds me, Mr. Chairman, of an adage that says you can judge a society very carefully by how it treats its elderly and how it treats its young. So this is how we must look at balancing the budget.

The second area, Mr. Chairman, has to do with this supermajority. We have heard my colleagues on the other side of the aisle indicate that this is the only way that we can have a sagacious balancing of the budget. But in actuality, that supermajority, that 60 percent is not going to preclude the raising of taxes. What it is going to do is empower a minority rule. I do not believe, Mr. Chairman, that that was the original intent of the Framers of our Constitution. In fact, I would submit and suggest to you that that is unconstitutional and we should not adopt and accept and support the Barton amendment.

Third, Mr. Chairman, as we talk about balancing this budget, we certainly have to realize that we must be honest and we must be fair with the American people and that we must balance the budget fairly.

Mr. HYDE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. KIM].

(Mr. KIM asked and was given permission to revise and extend his remarks.)

Mr. KIM. Mr. Chairman, I rise today in support of this balanced budget amendment.

Mr. Chairman, when I came to this body I was the owner of a small business. It is tough to run a small business, believe me. It is tough to survive even. But one thing I learned running a small business is that I cannot spend more than I can take in. Nor can I spend more than I earn. If I do, I have no choice but to file bankruptcy. No bank will bail me out, no government will give me a loan guarantee, because my business is not big enough, like Chrysler.

So I have a choice. I can lose everything. My lifetime savings. Perhaps even my wife.

Now, for some reason, the Federal Government keeps borrowing endlessly, without any collateral or consent from taxpayers. Just keep borrowing and borrowing. That is not fair.

The Federal Government should operate under the same rule. Laws should apply equally.

Year after year, I am tired of listening to these promises. We keep promising to the American people that Congress is going to do something about this runaway deficit. And here it is. We have got a chance, a golden opportunity to do something about this. We have a resolution to adopt it, but here we go again. More excuses. I am listening to criticism from colleagues for not saying exactly where the balancing should come from.

Mr. Chairman, again back to private business. In private business, we always set the goal and then decide how we are going to meet this goal.

To me, the balanced budget amendment is good. We set the goal. Then later we sit down together and go through this painful process where the cuts should be. That is how I look at it.

We all know that we can do it. We all know that we should do it. So we work together, instead of bickering, and go through this painful process.

Mr. Chairman, it is time to stop talking and start acting.

Mr. GEKAS. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. I thank the gentleman for yielding me the time.

Mr. Chairman, I must say you look great in that position.

The CHAIRMAN. The Chair thanks the gentleman from Wisconsin. He still only has 2 minutes.

Mr. ROTH. I was afraid of that.

Mr. Chairman, many of us have waited a good long time for this vote tomorrow. Because while we have had a chance to vote on this issue any number of times, we have never had a chance to win. Tomorrow we certainly have a chance to win.

I want to thank Chairman HYDE and his committee and the Contract With America, and I want to thank the American people for their vote on November 8 because they are going to make this victory on a balanced budget amendment tomorrow possible.

Mr. Chairman, we have had this issue up before. The last time we had it up

for a vote, we lost by 12 votes. Some of us had hoped that we could have a balanced budget. For example, we had the Solomon amendment a year ago. No tax increases, no Social Security cuts, and we only had a handful of votes.

I have come to the conclusion that, of course, in 15 years we have had 5 statutes which promised a balanced budget but all were circumscribed.

□ 1910

No, there is no other solution than a balanced budget amendment.

This morning at 9 o'clock something happened I hope that does not happen to our country, but this morning at 9 o'clock we had a hearing here on Capitol Hill on the Mexican peso devaluation. We were told by our leading people in this country, the Secretary of the Treasury, the Secretary of State, the Federal Reserve chairman, "We've got to do something; we've got to do something."

Well, that debate is for another day, but I hope that that never happens in our country, that happens to our dollar, but it is going to happen if we have these huge deficits. We now have a deficit of \$4.6 trillion. How much further can it go?

Since the last time we had elections, our national debt has increased by \$170 billion.

My friends, actions have consequences, and this type of profligate spending is going to come back and bite us hard.

Other countries come to the United States for help. Where are we going to go for help? Its time is now. If not us, who? If not now, when?

Let us vote for the balanced budget amendment.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. WISE], a gentleman who has worked on budget matters for so long.

Mr. WISE. Mr. Chairman, I have had the privilege of working with the chairman for many years here and I want to thank him very much.

Mr. Chairman, this is the Congress that is trying to be family friendly. We hear a lot of talk about helping middle-class families and we talk a lot about how families have to balance their budgets, all of which is true. So we can learn from families.

I have heard the analogy often about families sitting down around the table at the end of the month, which is what we have to do, what every family I know has to do, to balance their budget. And as the families balance the budget they know there is something crucial. They know the difference between consumption and they know the difference between investment, they know what it is, they know what is the difference between a dollar that is spent on children going to a roller rink or to a movie, or a dollar spent for food or basic consumption and the dollar spent for investment into the house, into the car, into education.

So, families break their budgets up. Yes, they have to balance, but they break those budgets up into operation and maintenance, or consumption and investment, and so that is why we make mortgage payments every month and that is why we borrow for our automobiles and that is why we borrow for the most important probably of all, to send our children to college and to school. So those are investments that we spread out over a long time, that is the cost of them.

The way we balance our budget is we balance the consumption and we balance, and then we add in debt service on those investments. Not many of us, this Member certainly not, cannot afford to buy a House in one year or a car or a college education.

That is what my amendment and the amendment that many others are co-sponsoring tomorrow does. It says you should take Social Security off budget. Everyone said they do not want to touch Social Security. We give Members that opportunity. You cannot touch it; it is gone; it is off budget.

But the other thing we do in this that none of the other amendments will do that will be in order, is to have a capitol budget so the roads, the bridges, the infrastructure, those things which in some ways families would pay mortgage payments on, the Federal Government can now account for in the way that a family does. You pay the mortgage on our House; we would have debt service on our roads, on a bridge, on water or sewer systems, particularly those things that bring back far more in economic return than what we ever spent on them.

We have to make sure this country grows. My major concern with many of the balanced budget proposals, as well-intentioned as they are, is because they chop off growth because they count a dollar for investment the same as a dollar for welfare or a dollar for food. That is my main concern.

I urge Members to look at the Wise substitute tomorrow, the only one we will have a change to truly invest in growth and have a chance to do what American families do, recognize the difference.

Mr. BECERRA. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from California.

Mr. BECERRA. Mr. Chairman, the gentleman from West Virginia makes a very good point. I think some folks that may be watching may think those of us who are saying this balanced budget amendment is the wrong way to go are against ever balancing the Federal budget when of course we want to balance the budget, but we want to be realistic. That is why the gentleman from West Virginia's alternative is really a sound way to go because, as I explained earlier, if this was a family, and we are a family in America and we were trying to make decisions for this family of America, we would want to be able to purchase a home and, we

would like to be able to get a 30-year mortgage or send our kids to college and be able to get some student loans to help pay the cost.

If the gentleman can explain, does the balanced budget amendment that is on this floor by the majority party, the Republicans, allow for that?

Mr. WISE. There is no capitol budget program. It counts a dollar of consumption exactly the same as a dollar of investment, even though the investment dollar will bring you back much more in economic growth and tax revenues.

Mr. BECERRA. And the gentleman's proposal which does provide for capitol budgeting, could that allow for that type of process, a 30-year mortgage?

Mr. WISE. Yes, it would.

Mr. GEKAS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Chairman, I support passage of a strong balanced budget amendment.

We must obtain control over our debt. This Government has not produced a balanced budget since 1969. Today we are saddled with a \$176 billion deficit, nearly \$300 billion in annual interest payments, and a debt of some \$4.7 trillion.

This situation cannot continue.

We will soon consider several versions of the balanced budget amendment. I believe the Barton amendment, which requires a three-fifths vote to raise taxes, is superior. However, if the Schaefer-Stenholm amendment, which does not include this provision, garners the most votes, I will support it on final passage.

Neither of these measures represents a cure-all for our problems. But each would require the Federal Government to finally be accountable to the American people.

While a balanced budget amendment will require hard decisions, it is not synonymous with a threat to our seniors. Rather, it is our monstrous debt and the interest on it that most threaten social security and other truly vital programs.

The time for easy decisions is over. We must prioritize. I urge passage of a strong balanced budget amendment.

Mr. GEKAS. Mr. Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GEKAS] has 18 minutes remaining, and the gentleman from Michigan [Mr. CONYERS] has 9 minutes remaining.

Mr. GEKAS. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to spend a little bit of time explaining exactly how the tax limitation provision in the balanced budget amendment would work. There has been gnashing of teeth about how stringent that process might be and how difficult it might be to implement. Fortunately for the United States Congress, there is ample evidence of how tax limitation amendments to balanced budget amendment requirements would actually work.

I think it has been pointed out on the floor earlier, there are 9 States that have a tax limitation provision either in their Constitution or by statute, including the State that the President is from, the State of Arkansas, which has a three-fourths requirement to raise taxes.

The Heritage Foundation has done extensive data collection to see if in those States that have tax limitation, it does work or it really does not work, and the record shows at the State level that tax limitation in point of fact does work.

Between 1980 and 1990, in those States that had a tax limitation provision, taxes went up by a total of 87 percent in that 10-year period. In the States that did not have tax limitation provisions, their taxes went up 104 percent.

That is a difference of 17 percent. In States that have tax-limitation provisions, taxes went up 17 percent less in a 10-year period between 1980 and 1990 than in those States that did not have the tax limitation provision.

Why do we want a tax limitation provision at all?

□ 1920

Ultimately you want that, because you want to make government more effective, you want to make government more responsive to the people, and you want the Government to spend less money.

If you do not have as much money to spend, you do not spend as much money.

The States that, again, have a tax-limitation provision by statute or in their constitution, their spending did go up, but it went up about 9 percent less than in those States that did not have a tax-limitation provision on the books, again, in the period between 1980 and 1990.

So what does that mean? If you take those numbers and put them at the Federal level, a 9-percent reduction in Federal spending would be over \$100 billion in the fiscal year that we are in today. So the bottom line is not only do we need to balance the budget in Washington, we need to balance it by having a tax-limitation provision on the books, because tax limitation does work.

If we do that, we are going to have to make some tough calls. You know, people have asked me, "Well, Congressman BARTON, you are the sponsor of this provision. How are you going to balance the budget? Where are you going to cut?" My answer is quite simple, "I

think we look at every Federal program."

We passed a resolution on the floor earlier this afternoon that specifically exempts Social Security. So some people have come to me and they say, "Well, that is only for this year. Why not exempt Social Security in totality by putting it into the constitutional amendment?" And the simple answer to that is because if you exempt any program in the amendment itself, it goes into the Constitution. It would not be totally hypothetical to think at some point in the future everything in the Federal budget would be in that program. We could have an instance where the Social Security budget at some point in time, if it were specifically exempted in the Constitution, not only would include the Social Security budget as we know it today, it could include the defense budget. We do not want to put into the Constitution any specific exemptions.

Finally, Mr. Chairman, let me simply state that the three-fifths requirement for a tax increase is important, because it balances the amendment. We have the three-fifths requirement in the Stenholm-Schaefer amendment to raise the debt ceiling; we have the three-fifths vote requirement to borrow money in a given fiscal year. If we do not put the three-fifths requirement in for a tax increase, we have really created an incentive, intentionally or not, to balance the budget by raising taxes.

So I would respectfully request that when we actually come to the vote tomorrow that the colleagues in the Chamber vote for the Barton-Hyde-Tate-Geren tax-limitation, balanced budget amendment and send it to the Senate where we encourage the Senators to do likewise.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. BARTON of Texas. I am happy to yield to the gentleman from Pennsylvania.

Mr. GEKAS. As I was listening to the gentleman recite the record of the States and the supermajorities in those States, it dawned on me, someone else has mentioned before that in those States where the taxes were raised even in the face of the supermajority, it almost had to be, did it not, a bipartisan vote that finally carried the day?

Mr. BARTON of Texas. The gentleman is correct.

If I could respond, the gentleman is correct, because in the nine States that have tax-limitation requirements, it is a bicameral, bipartisan legislature, and my understanding is that it was a bipartisan effort.

Mr. GEKAS. I thank the gentleman.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. LEWIS], who serves as our chief deputy whip, in addition to his other responsibilities.

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank my friend and colleague, the gentleman from the

State of Michigan, for yielding me this time.

Mr. Chairman, our Constitution is an extraordinary document. Our Constitution is the only document of its kind in the world to have lasted so long and to have been used so often as a model for other nations.

This balanced budget amendment that we consider tonight would dishonor our Constitution. It substitutes good politics for what is good policy, for what is right.

Make no mistake. I want a balanced budget like everyone else. I do not want our children and unborn generations to bear the burden of the deficit and increasing national debt.

But I believe we must deal with this issue in a responsible and sensible way. Passing the buck to future sessions of Congress is not responsible.

The new Republican majority must tell the American people what they are going to cut, whether it is Social Security, Medicare, a school lunch program for our children.

Our knees, the American people's knees, will not buckle as some on the Republican side have suggested.

Two years ago Members on this side of the aisle made the hard choices needed to reduce the deficit. We reduced the Federal deficit by over \$500 billion. We acted responsibly. I expect no less from those on the other side of the aisle.

Now they are in charge. They are in control. Lay your cards on the table face up. Tell us the hard choices you are willing to make, be straight with our children and the elderly. Tell them what they will have to do and what they will have to do without.

We do not need this amendment to our Constitution, Mr. Chairman. What we need is courage, raw courage, to make the tough choices facing our country.

Have the courage to do the right thing and vote against this amendment.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. CHRISTENSEN], the only unicameral State in the Union.

Mr. CHRISTENSEN. Mr. Chairman, in February 1982 President Ronald Reagan said the Federal Government has taken too much tax money from the people, too much authority from the States, and too much liberty with the Constitution. Truer words were never spoken.

That argument is as germane today as it was 13 years ago. Last year we experienced the largest tax increase in American history, and yet, sadly enough, the deficit continued to grow. The time has come to restore fiscal sanity in our Government and pass the Barton balanced budget amendment.

I was sent to Washington to reform government, to change the way Congress does business. In the first 3 weeks of the 104th Congress, we have barely scratched the surface of the Contract With America, the vehicle for the very

reform that the American people sent us here to do.

The balanced budget amendment is at the heart of this contract. Since 1935 the American people have been waiting for Congress to pass this measure. Patiently they have waited year after year, only to see another legislative year pass by with no balanced budget amendment.

How long will we make them wait?

The opponents of the balanced budget amendment and our own President of the United States last night said before we pass the balanced budget amendment and send it to the States for ratification we must specify every cut for the next 7 years. I ask those opponents if someone decides that they want to lose weight and live a healthier life, do they not first take a pledge to eat right and exercise, and after taking that pledge, then lay out a plan and a schedule of how they will attain their goal?

Ladies and gentlemen, our Government is fat with debt. The only way to insure a healthy America is to pledge to this country a balanced budget and define that commitment within the United States Constitution.

Once we have sealed our commitment, we will lay out a national diet of fiscal responsibility, balanced by the exercise of spending cuts across the board, and with any good diet, we will forbid the consumption of pork. We will insure our agreement by mandating that only the consent of three-fifths of this body, as laid out in the Barton amendment, not just a simple majority.

We need to consider this Barton amendment. We need to seriously consider this, because it is very important. We need to put handcuffs on our Federal Government so they cannot turn to raising taxes every opportunity they get.

My colleagues, this Nation is broke. Tax increases alone have not solved the problem. We must begin now to put America back on track.

I stand in strong support of the Barton balanced budget amendment and encourage my colleagues to join in this effort.

□ 1930

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. I thank the gentleman for yielding this time to me.

Mr. Chairman and my colleagues, I rise in strong support of the balanced budget amendment for three reasons. First of all, we have no choice. We are spending \$800 million every single day on interest. Soon we will be spending \$1 billion every single day on interest on the national debt. We cannot ask our children to support a growing number of seniors living 20 and 30 years after retirement and spend a billion dollars a

day on interest on the national debt. We will destroy their standard of living, we risk our own democracy.

It is that serious.

We must balance the budget. We have no choice.

Let us look at the record of this body. I have been here 12 years, since 1985, and I have submitted balanced budgets, line by line, cuts. They were reasonable when the problem was manageable.

I have had the Democratic chairman of the Committee on the Budget get up and say to the moderate Republicans who proposed this budget, "Good thinking, thoughtful, real good effort. We are going to do most of this." But it never happened.

I have submitted budgets, I have been part of bipartisan teams to submit budgets, I voted for tax increases and spending cuts, and it has gotten worse and worse and worse.

So our record is bad. In the States, that has been the harness, a balanced budget amendment, which forces attention to this matter on a year-by-year basis. It has worked for them. We must try it, because we are squandering the Nation's resources and compromising our children's future.

Third point: How do we achieve it? Of course, we cannot tell you. How many times have you walked into factories in your districts? I can tell you I have walked into a factory in my district, faced with the absolute panicked look on the faces of the leadership who had just found out they were going to have to be required to cut 20 percent of their workforce in 1 year. I said to them, "How will you do it?" Their answer was, "We don't know."

I came back a year later, and I said, "How did you do it?" They said, "Well, we did this, and then we did that, and then we found out we could do this and do that, we discovered that not only could we do it, but we improved the quality of the product."

I remember in one factory I went to, I said "So what now?" I get this terrible stare that said, "We just learned we have to do it again."

Now, do we know how to do it? No. But we do know that if we have to do it, we can do it. We do know that if we have to do it, we will face up to the fact that those kids cannot support public employees retiring 10 years before they can retire. We do not like talking about that. We do not want to make that decision.

These are tough times. Let us do it, let us have the guts, the courage to serve not only our people but our children.

The CHAIRMAN. The Chair will remind the committee that the majority does have the right to close.

Mr. CONYERS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from North Carolina [Mr. WATT], a very able and committed member of the Committee of the Judiciary.

Mr. WATT of North Carolina. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have sat throughout this debate, the entire course of it, and I think we beat this dog probably as much as we can beat it, as we say in North Carolina. I have not heard anybody come here who has not expressed a commitment to a balanced budget. But the American people should know that it is really the debt, the national debt that is the drag on us.

So a balanced budget is not going to get us there. It is going to take a series of surplus years to start the reduction in the national debt.

I think everybody has talked about that at one level or another. I want to come at this from a slightly different angle because the real problem that I have with the balanced budget amendment, this balanced budget amendment and all of the balanced budget amendments that are coming before us under the series of amendments, is that they jeopardize my right to have an equal vote in this institution.

Every amendment that is coming before this body has a three-fifths majority of some kind in it. Everything that I stand for tells me that my vote and the votes of my constituents, based on constitutional principles, ought to be equally valued.

So I cannot support a constitutional amendment that says to me that next week or next year or in the year 2002 somehow my vote in this body is going to be less valuable than another Member of this body.

This three-fifths majority devalues my vote.

The second problem is that despite all of the protestations to the contrary, the American people do not operate their lives on a balanced budget every year. We fund the acquisition of homes by borrowing, we finance education by borrowing. Those are investments that we make because we think they are important.

Over time, over a long period of time, we pay those things off, but they pay dividends to us in the meantime.

Now I had an amendment that I offered before the Committee on Rules, I tried to get it to address this issue of devaluing my vote.

I went to the Rules Committee and I said, "Here is an amendment that would have a balanced budget amendment to the Constitution, but when we were going to waive that balanced budget amendment, we come back in here and we would take a vote by majority so that every Member of this House would continue to have an equal value to their vote because that is the constitutional principle, that is the majority rule principle, that is the American way, that is the fair way."

But the Committee on Rules, I say to my colleagues and the American people, elected not to make this amendment in order. I had nine other amendments that I tried to offer to this bill in the Committee on the Judiciary on

which I sit. The committee closed down at 6:30 on Wednesday, 2 weeks ago, and said, "We are not going to take any more amendments. We don't care whether you are a member of this committee or not, we are not going to let you offer any amendments."

So I am being deprived of the value of my vote; I am being deprived of the opportunity to offer amendments on this floor, and I think that is the disservice that we are doing to the American people.

We have got to debate these things regardless of the outcome of the vote and come in and vote and take those hard choices, and then we can maybe balance the budget.

Mr. GEKAS. Mr. Chairman, I yield 2½ minutes to the impeccable gentleman from Louisiana [Mr. TAUZIN].

□ 1940

Mr. TAUZIN. Let me first thank my friend, the gentleman from Illinois [Mr. HYDE], for assuming my position as the second sponsor of the Barton-Tauzin amendment which has been an amendment before this body for many years. I can think of no finer gentleman to assume this role in this new majority than my friend, Mr. HYDE. I also want to congratulate my friend, the gentleman from Texas [Mr. PETE GEREN], for the role he is playing in the effort to pass the Barton-Hyde-Geren-Tauzin—many Members—bipartisan amendment to the U.S. Constitution, a required balanced budget and to require it in the right way. I want to make just three points tonight:

In this age of cyberspace and high-speed technology in communications there is a word that is very current and very popular right now called a new way of seeing things. It is a paradigm, it is called, a new way of looking at things, a new way of seeing things, a new order of things. The old paradigm here in the U.S. Congress and in America has been very simple. People elected Members to go to Congress to get back as much of their tax dollars as they could, and bring them back home and spend them at home, and let me tell my colleagues that paradigm has worked wonderfully. We have all done a marvelous job of that. Every one of us has been extraordinarily good at coming to Washington, bringing back our taxpayers' dollars back to home and spending them at home. In fact we have done such a wonderful job of it that we spend a great deal of money more back home, more than our taxpayers sent to Washington, DC. It is called a deficit. It is called a debt. We have operated under this old paradigm for many, many years now, and we have riddled our country with debt as a result while we have brought the bacon home.

I think the message of the last few elections has been very simple. The message of the last few elections has been to cut it out. It is time for a new paradigm. It is time for us to elect Representatives to Washington who

will stop spending money we do not have.

The new paradigm is to come up here and balance the budget. I ask, "How do you do it? Do you do it by borrowing in a capital account, as some have recommended?" Well, this Government borrows. Unlike most families in America, Mr. Chairman, we borrow and never pay the debt. The debt just piles up. We never pay the mortgage. It piles up on us and our children.

Second, do we balance the budget by raising taxes on Americans again, and again, and again? That is the easy way, but they are telling us to cut spending first, and I say to my colleagues, "If you want to cut spending first to balance the budget instead of taxing the dickens out of the people at home, you need to vote for the Barton-Hyde-Geren-Tauzin amendment to the Constitution."

Mr. CONYERS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Michigan [Mr. CONYERS] is recognized for 2 minutes.

Mr. CONYERS. Mr. Chairman, all I can think of is what has been the weight or the effectiveness of the discussion on amending the Constitution of the United States that has transpired on this floor today, and I think on balance, as we study our CONGRESSIONAL RECORD, as our citizens across the several States examine the arguments for this important policy change, I think that there will come up a shortage of logic that would persuade people that we have now reached a system or a process that would make sense in making this massive change out of desperation, to be sure, to the Constitution because the bulk of all of the arguments that I have heard for this amendment is that we are failing, we have tried everything else, and there is nothing left to do.

In my judgment that is not enough. In my judgment we have already started reducing the deficit annually, and from that modest position that we find ourselves, Mr. Chairman, we could easily begin to build on increasingly reducing the deficit and, ultimately, the national debt.

So, Mr. Chairman, I leave this first day of leading the debate on this side on a constitutional amendment disturbed that there has not been a persuasive case made for a constitutional amendment.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I speak out in support of the balanced budget amendment not only because I believe it is good policy or that it is a policy that is supported by many of the leaders of this body, but because it is a policy that is supported by the people of my district. There was no issue that I found stronger support for than a balanced budget amendment during my campaign, and I believe the reason that the public recognizes that

we need this is because they have seen in more than 30 of our States that the States, when they implement their constitutional amendment to balance the budget, that the leaders in their legislative bodies are able to balance the budget. Yes, they have to work hard, make tough decisions, stay until late at night, but they are able to when the fire is put to their feet.

The people of this great country have been very patient with this body, asking for the past 15 years that we balance our budget. They are not holding us to a higher standard. I believe we need to submit to their will, pass a balanced budget amendment.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GEKAS] for yielding this time to me.

The distinguished ranking member of the Committee on Government Reform and Oversight just a moment ago said that at the conclusion of the first day of a very important and historic debate in this country on the balanced budget amendment he had not heard convincing argument, a persuasive argument, for enacting a constitutional amendment requiring the Congress and the President, that is to say, the legislative and executive branch, to enact an annual Federal budget that is balanced. Well, let me provide that argument, counterargument.

Congress has failed to control the deficit despite legislative attempts to cut Federal spending. At the end of 1994, Mr. Chairman, the deficit was projected to be \$223 billion, and the public debt, the national debt that is passed on to our kids and grandkids, all future Federal taxpayers, which is the accumulation of each year's deficit, will reach \$4.7 trillion. Left unchallenged the deficit will grow and continue to reach crisis proportions early in the next century.

The choices are hard, but necessary, and that is why we must enact a balanced budget amendment to impose a very real fiscal restraint in this body.

Mr. GEKAS. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I appreciate the opportunity to address the body tonight inasmuch as we really have a historic time to pass what will be a balanced budget amendment with a three-fifths tax limitation which is what the country really wants. If we put our fiscal house in order everything else in the Contract With America can be accomplished, but this is the most important part of the contract. We want to make sure that if we have people, we have families, that have to be on budgets, this Congress has to be on a budget, and I thank the gentleman from Pennsylvania [Mr. GEKAS] for this time that he has yielded for this purpose.

Mr. GEKAS. Mr. Chairman, I yield the remainder of the time to the distin-

guished gentleman from Illinois [Mr. HYDE], an institution within an institution.

The CHAIRMAN. The gentleman from Illinois [Mr. HYDE], an institution, is recognized for 1½ minutes.

Mr. HYDE. I think the gentlemen are suggesting I should be institutionalized.

Mr. Chairman, I just want to say as to the supermajority on raising taxes:

When the government expands its power from one level of gross domestic product to another in terms of its fiscal reach, that ought to be an extraordinary decision because we are reaching into people's pockets and we are taking a great rate of the blood, sweat and tears that they have earned through their own work. So that extraordinary reach ought to be an extraordinary decision, and that ought to call for an extraordinary vote. So to increase taxes, to increase the reach of government, it seems to me is an extraordinary decision. It has not been until now, but we are going to try to make it an extraordinary decision, and not have that left to a simple majority vote.

□ 1950

Sixty percent is not that tough to get over 50 percent, but it is a little tougher, and we want to avoid the bias towards increasing taxes as the line of least resistance to balancing the budget.

I would say to my friend from North Carolina, the only amendment that the gentleman offered to be brought before the Committee on Rules was one we did vote on in the full committee, and he lost 13 to 19. I will agree the Committee on Rules did not have a relitigation of that issue, and I wish they had because the gentleman is a member of the committee. But the other nine amendments that the gentleman says he had, I never did see them, but he said he had them. He must not have thought too highly of them, because he did not even offer them.

Mr. OLVER. Mr. Chairman, I also favor the Wise capital budgeting balanced budget amendment version because I do not support adding public-policy-related supermajority requirements to the Constitution.

Supermajority votes are appropriate in the checks-and-balances interplay between the co-equal branches of government, like ratification of treaties, override of vetoes, and the impeachment or approval of executive or judicial branch officers. They are also appropriate for expulsion of Members of Congress, an extreme action which constitutes, in a sense, an override of the will of the people.

But final say on issues like annual budget policy should not be constitutionally delegated to a minority, as Madison warned in the Federalist Papers. If we constrain revenue and expenditure numbers to a supermajority requirement, we put ourselves on a slippery slope to other ideologically based encroachments on the principle of majority rule, a fundamental tenet of our Constitution as it now reads.

Irresponsible borrowing certainly must end, but responsible governing should not.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the balanced budget amendment because it represents the strongest incentive to force the Federal Government to live within its means.

If we act now, we will still have the flexibility to set budget priorities to protect Social Security and other vital programs. If we delay, the budget deficit will continue to grow and could eventually threaten every Federal Government program in the future.

Today, interest payments take up 14 percent of our Federal budget. That means every day, we pay more than \$800 million just to service the Federal debt. If we take no action, that percentage will continue to increase and claim even more Federal dollars, at the expense of other important programs.

The longer we wait, the worse the alternatives are going to be. If we act now, some small sacrifice will be required of all Americans. If we wait, I am afraid we will be facing tremendous sacrifices and as we are to make drastic cuts to programs throughout the Federal Government.

Mr. Chairman, we can't afford to wait any longer. The time is now to pass this amendment and get on with the job of restoring fiscal responsibility.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to House Joint Resolution 1, proposing a balanced budget amendment to the Constitution of the United States.

Virtually every Member agrees that we must reduce the Federal deficit. We began in the 103d Congress with responsible steps to raise revenues in a limited way and to reduce spending, and those efforts must continue. But passing a constitutional amendment to require a balanced budget is not responsible. There are two possible outcomes, neither of which is desirable.

One is that a balanced budget amendment will be ignored and the respect due our Constitution will be eroded.

The other is that a balanced budget amendment will be obeyed, harming the economy and limiting the Federal Government's ability to meet national needs.

But I don't only oppose House Joint Resolution 1 because it is a balanced budget amendment; I oppose it because it is a bad balanced budget amendment.

House Joint Resolution 1 puts the entire range of Federal activity, from responding to hunger and homelessness, to protecting health and safety, to investing in education, training, research and development, and infrastructure for long-term growth, at risk, along with the contracts the United States has made with our senior citizens, our veterans, our states and cities.

The populations most reliant on federally supported income support programs are our elderly and our children.

But, however earnestly some Members promise to keep Social Security off the table, there is nothing in House Joint Resolution 1 to protect it when the time comes to balance the budget.

The Children's Defense Fund estimates that, if Social Security and defense are protected, the BBA would force cuts in other Federal spending of 30 percent. The impact on children would be devastating. If the cuts simply reduce caseloads, 6.6 million children could lose Medicaid health care coverage, and 4.3 million could lose food stamps; in New

York, over half a million children would lose Medicaid and nearly 300,000 would lose food stamps.

But programs for poor children, like those for other poor and underserved people, may not see cuts held to 30 percent; having no votes and no highly paid lobbyists, our most vulnerable people may be hit even harder.

House Joint Resolution 1 does not permit a waiver of the balanced budget requirement when the economy is weak, so it is likely to have a countercyclical effect. As unemployment rose and our people's need for federal assistance grew, tax receipts would be falling, and spending would have to be cut even deeper to meet the BBA's requirements. Recessions would become more frequent and deeper.

House Joint Resolution 1 does not provide for unforeseen situations such as natural disasters—the recent flooding in California. Tax increases or spending cuts would be required to offset spending to meet emergencies. A disaster would bring suffering on many more people than its immediate victims.

The requirement of supermajority votes for raising taxes undermines the principle of majority rule, giving excessive power to a minority of the Members of each House. It also distorts the process of achieving a balanced budget and is likely to lead to indiscriminate cuts and possible elimination of critical Federal programs.

Mr. Chairman, beyond these issues, there are many unanswered questions about and deficiencies in House Joint Resolution 1. Democratic Members of the Judiciary Committee tried to deal with these questions and deficiencies by preparing amendments for full Committee markup and the floor, but amendments offered in Committee were defeated on party-line votes, markup was cutoff before more than half of our amendments were offered, and the Rules Committee denied us the right to offer them on the floor.

I can only note that, had these changes been made, House Joint Resolution 1 would be much longer and much more detailed—an even clearer argument against making economic policy in the Constitution.

Mr. Chairman, Congress already has the tools to reduce the Federal deficit and has been using those tools for the last 2 years. We know the choices will be extremely difficult, but making those choices is the only way to bring the deficit down.

We do not need a constitutional amendment, and we most emphatically do not need House Joint Resolution 1. I urge my colleagues to vote against this and any other balanced budget amendment to the Constitution.

Mr. SMITH of Michigan. Mr. Chairman, I support a balanced budget amendment but suggest that a provision to limit Federal spending to the growth of the economy is also desirable.

The problem of Federal deficits is simply a symptom of the larger problem of massive growth in the Federal Government. James Buchanan and Richard Wagner discussed what happens when the populace begins to believe that the Federal Government need not practice fiscal restraint. Their 1997 book "Democracy in Deficit"—published before the era of \$200 billion a year budget deficits—describes how this opens the door to ever-increasing deficits, which are then monetized by the Federal Reserve, leading to continuous reduction

in the value of the balanced budget amendment.

While such an amendment sounded somewhat radical sixteen years ago, it sounds almost mainstream today. I suggest, however, that instead of a balanced budget amendment, we apply to the Federal Government a variant of what Michigan applied to its State government in 1978 when it adopted the Headlee amendment to the State constitution. The basic components of the Headlee amendment are: First a limit on the size of State government achieved by holding state revenue to the same fraction of personal income that it was when the amendment passed in 1978; second, a requirement that the state maintain its proportional share of spending to local government and reimburse local units for any mandates imposed by the State; and third, a provision requiring a vote of the local populace for any increase in local taxes.

The purpose of the second provision was to prevent the State government from avoiding the limitations on its growth imposed by the first provision by shedding its financial support of the local units and requiring them to provide services and programs that the state was unable or unwilling to pay for. A blue ribbon commission appointed by Governor John Engler to study the Headlee amendment recently concluded that the Headlee amendment had been effective in limiting the growth of State government.

In order to keep the requirement of a balanced budget from resulting in massive tax increases and a deterioration of the economy, my suggestion is to limit the growth of federal spending by setting a limit on the amount of Federal outlays relative to gross domestic product [GDP]. This would cap Federal outlays at the percentage of GDP consumed at the time of submission of the amendment to the states. Federal outlays could never, in any year, exceed the growth of GDP. In this way, if outlays were less than the ratio in one year, there would be a permanent reduction in the ratio of Government spending to GDP. The Federal Government could not mandate that the States provide any service that they are not already providing, unless it fully funded the mandate. Combining this with a phased-in balanced budget requirement would result in attacking the real problem—the growth in Federal outlays over time, whether this growth is funded by taxes, borrowing, or inflation of the currency.

Of course, there are details, and as they say, "the devil's in the details." An emergency provision to allow deviations from the limits during time of war is an example. The definition of federal outlays, which would appear to work at this time, will no doubt be strained over time. However, it is probably easier to set standards regarding outlays than debt, considering the pitfalls to defining debt that your editorial pointed out.

There are at least three reasons why a provision to limit spending should be part of a balanced budget amendment. First, it is a moderate proposal. It does not require a reduction in the absolute size of the Federal Government, but only that the Federal Government not get larger relative to the size of the economy. Second, it has been tried at the State level and appears to have accomplished its basic purpose. Third, it gets directly at the problem of growth of the Leviathan rather than trying to get around it indirectly by limiting how

much the Government can borrow and then hoping that political pressure against taxes will restrain Government growth.

Mr. BALLENGER. Mr. Chairman, I rise in support of the Barton three-fifths tax limitation version of the balanced budget constitutional amendment. Earlier this month in an article in the Wall Street Journal, Milton Friedman, who received the 1976 Nobel Prize in economics, argued why a tax limitation amendment is so very important.

The Barton amendment's limitation on taxes would force the achievement of a balanced budget through a reduction in spending rather than an increase in taxes unless a super-majority of three-fifths voted to raise taxes. The other amendments are not as strong, because there is nothing in them to prevent balance from being achieved by a massive tax increase. And, nothing to prevent further increases in Government spending as long as they were accompanied by higher taxes.

After all, as Mr. Friedman argued, "the real burden on the economy is what the government spends—or mandates others to spend—rather than how much it received in taxes." If you raise taxes, you can spend more—even with a balanced budget amendment to the Constitution, if that amendment does not limit tax increases.

I urge my colleagues to seize this opportunity and cut Government down to size. Vote for the right kind of balanced budget amendment—the Barton three-fifths tax limitation amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise today in support of the balanced budget amendment, House Joint Resolution 1. This amendment to the U.S. Constitution to require a balanced Federal budget is not a new idea. Balanced budget amendment proposals have been introduced since the 1930's and, in recent years, have fallen just short of passage in Congress on several occasions. In 49 States, there is some form of balanced budget requirement—including the State of New Jersey.

In Congress, this balanced budget amendment is only the beginning of the process of amending the U.S. Constitution. It is a big step for Americans to amend the U.S. Constitution, and that is as it should be. Of the several thousand proposed amendments in 206 years, only 27 amendments have been ratified by Congress and by the States—and one of those (the 21st amendment) repeals the ban on alcohol proscribed by one other—the 18th.

Amending the U.S. Constitution requires a two-thirds majority in the U.S. House (290 votes) and in the Senate (67 votes), and ratification by three-fourths of the States (38 of the 50 States). The drafters of the Constitution placed a great deal of weight on the powers delegated to the Federal Government and those that remain with the States, giving the States the ultimate decisionmaking powers regarding amendments.

They also saw a limited role for the Federal Government in taxation and borrowing—a role which has been greatly expanded during the current century. The Framers of the Constitution clearly saw Federal debt as an emergency matter at times of national or international crisis, not as a means of normal operations. Likewise, taxation was for specific and justifiable purposes. It is the breakdown of both of these principles that has led to our current budget problems.

I believe Congress has an obligation to send this question to the States, so that we can engage in a much needed and lively debate on the broader question—what is the role of the Federal Government and at what cost?

Our experiences with State budget balancing requirements have provided several positive outcomes from this important fiscal discipline. It imposes discipline on legislators and executive branch. It, therefore, requires a closer working relationship between these two branches of Government. And, the requirement ultimately will force all parties to sit down and work out their differences to maintain the required balance.

Having worked under the balanced budget requirement, I believe it will promote better communication and governance—at least that's been my experience as a State legislator in New Jersey. It has been 25 years since the last time the Federal Government's books were balanced. Of every dollar collected in Federal taxes, 15 cents goes to pay interest on the national debt—more than \$200 billion a year, further drawing down the amount available for other Government programs.

Clearly, our current situation is not due to under-taxation, but to over-spending. The Federal Government collects \$5 in taxes today for every \$1 it collected 25 years ago. The problem is that Government spending today is up \$6 for every \$1 spent in 1968.

Some may claim that the balanced budget amendment is a gimmick. Rather, I believe it will finally provide the discipline to the Federal budget process that has failed, to date, to control Federal spending—even with the best efforts of individual Members committed to deficit reduction and despite the demands of the American taxpayers.

Mr. EMERSON. Mr. Chairman, the Constitution is fundamental law; indeed, it should deal only with fundamental questions. I agree with Thomas Jefferson: "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." I urge you to keep these important words in mind as we debate the crucial issue of balancing our budget.

In my 14 years in Congress, my record has demonstrated my strong commitment to the senior citizens of this country. For this reason, I resent the attempt by some in this Chamber to scare senior citizens with misinformation about how the balanced budget amendment might affect Social Security. There is nothing in the balanced budget amendment that says that the Social Security trust fund will be cut or that Social Security benefits will be reduced for anyone.

The fact is that Congress can balance the budget without touching Social Security. The budget can be balanced in the year 2002 by simply restraining the growth of all other Federal spending to 3 percent per year, instead of allowing it to increase by 5.4 percent annually under current policies. A balanced budget amendment is the first step toward guaranteeing the financial security of our retirees. Because the Government must continue borrowing from the Social Security trust fund to finance the current debt, we are on a course of destruction toward the painful task of cutting benefits or raising payroll taxes. By enacting a balanced budget amendment, we halt this

troublesome path by imposing the budgetary discipline necessary to safeguard our future generations.

I would also like to take this opportunity to make very clear my support of the three-fifths proposal contained in the Barton amendment. Raising taxes should be a matter of last resort. The process of raising taxes should not be simple or easy. We need a mechanism to force spending reduction before new taxes are levied, just as we need a mechanism to force a prioritization of spending issues to achieve a balanced budget.

The majority party is committed to following through on its promises. The balanced budget amendment is supported by 85 percent of the American people. If hard-working taxpaying families have to live within their means from paycheck to paycheck, then there is no excuse that it has been 25 years since the Federal budget has enjoyed a surplus. The balanced budget amendment is a common sense mechanism that will enforce the necessary budgetary discipline in Congress and I urge support for the Barton amendment.

The CHAIRMAN. All time for general debate has expired.

Mr. HYDE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GEKAS) having assumed the chair, Mr. WALKER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States, had come to no resolution thereon.

COMMUNICATION FROM THE HONORABLE DAN BURTON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DAN BURTON, Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, December 22, 1994.

SPEAKER,
U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my office has been served with a subpoena issued by the State of Indiana, Madison Superior Court for the County of Madison, in connection with a civil case involving constituent casework.

After consultation with General Counsel, I have determined that compliance with the subpoena is consistent with the privilege and precedents of the House.

Sincerely,

DAN BURTON,
Member of Congress.

GENERAL LEAVE

Mrs. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 44.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

PREDICTIONS OF DISASTER

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. KAPTUR. Mr. Speaker, the administration claims it knew nothing of the pending financial disaster in Mexico. Mexico's administration claims it knew nothing.

Let me remind both administrations of what they certainly did know. Both the Mexican and the United States Governments knew the truth about the shaky peso and United States speculators' interests down south for at least 2 years before the meltdown. As reported by the Wall Street Journal during the NAFTA debate, the two governments went so far as to negotiate a secret line of credit worth \$6 billion because of the pending financial crisis in Mexico. Both governments knew; both governments kept it quiet.

Now Congress is expected to remain muzzled with truncated committee hearings and limited debate.

Congress cannot remain silent. Let the truth come out before we vote no on this taxpayer bailout of Wall Street speculators in foreign countries.

Mr. Speaker, the Wall Street Journal article to which I referred is as follows:

[From the Wall Street Journal Mar. 28, 1994]

HOW MEXICO'S BEHIND-THE-SCENES TACTICS
AND A SECRET PACT AVERTED MARKET PANIC

(By Craig Torres)

MEXICO CITY.—The muted reaction in Mexican stock and currency markets Friday after the assassination of presidential candidate Luis Donaldo Colosio was no accident—but it also wasn't guaranteed.

A panic developed among investors right after the slaying and could have sent the markets tumbling. But Mexican authorities managed to maintain calm through a once-secret agreement with the U.S. Treasury and a complex mix of moral suasion and vague threats to investors who might have profited from a panic.

This is the story of that effort.

At 9:30 p.m. in Mexico City last Wednesday—2½ hours after the assassination, Jose Angel Gurria, head of the powerful development bank Nacional Financiera, and several of Mexico's most senior financial officials were assembling at 2 Arturo Street, a colonial mansion converted into Finance Ministry offices.

Mr. Gurria and everyone else in the room knew Mr. Colosio was dead, even though the government hadn't yet acknowledged that to the world, knowing the panic that could be created when the news was let out, Mr. Gurria reflected that either Mexico was about to prove the strength of its financial team, or the markets would send Mexico into chaos.

"It was like Colosio's body was lying on the table" in front of the group, he says. "We knew we had a job to do."

Mexican financial markets were already fragile. Economic growth in 1993 registered a pathetic 0.4%. The Chiapas peasant revolt, the kidnapping of a well-known executive and surprising rifts within the ruling party